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US Lumber imports forecast to touch eight-year highs in 2016



By [Carolina Curiel](#)

ScrapMonster Author

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VANCOUVER (Scrap Monster): According to Wood Resource Quarterly (WRQ), the US lumber imports are likely to touch eight-year highs in 2016. The increased lumber demand in the US and China will result in significant rise in softwood lumber trade during the year. WRQ forecasts 13.6% growth in global lumber trade during the year. The global lumber trade will remain resilient to the forecasted slowness in global trade by the WTO. All key lumber importing countries have reported significant rise in imports during the initial three quarters

of the year. It must be noted that global trade of softwood lumber had increased by 10.2% in 2015.

The resurging US housing markets have led to increased production by domestic lumber mills. The volume of imported lumber has also risen considerably. During the initial eight months of 2016, the US domestic lumber production has registered 3.6% increase, when compared with the corresponding eight-month period in 2015. However, the domestic industry has failed to entirely meet the country's total lumber demand. Consequently, the imports of lumber have surged higher by almost 31% during this period. The total lumber imports by the US are expected to exceed 40 million cubic metre, thereby hitting eight-year highs. Also, lumber prices have remained buoyant throughout the year. For instance, prices for southern yellow pine have surged higher by over one-third during the past one year.

Among European countries, Sweden's lumber shipments are expected to remain more or less flat during 2016. The total shipment volumes are likely to total around 12.5 million cubic metre during the year. The



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export prices too remained strong. The Swedish lumber exports to the MENA region witnessed marginal decline, whereas this drop was offset by increased shipments to key markets in Asian and European region.

The demand for imported lumber surged higher significantly in China during the entire year 2016, especially during the last two quarters. The volumes in Q2 and Q3 touched record high levels, although Q3 import volumes declined from the previous quarter. The low import prices led to 24% jump in imports during Q3 last year, when compared with the same quarter in 2015. Russia continued to remain as the top lumber exporter to China, accounting for nearly 59% share of total lumber imports by China during 3Q/16.

The Japanese demand for imported lumber increased during the initial nine-month period of 2016. The import volumes during this period were up by 7% when matched with the corresponding period in 2015. The imports of overseas lumber was 7.5% higher in 3Q '16 when matched with the same quarter a year before. The largest exporter of lumber to Japan was Canada, followed by Finland, Russia and Sweden. The lumber import prices remained more or less flat during the first three quarters of 2016.

The Russian lumber export prices have remained mostly stable during the year. The prices in US dollar terms continued to remain lower on account of the persisting weakness in the Russian currency. The lumber shipment volumes from Russia have surged higher by 12% during the initial six months of 2016, in comparison with the previous year.

Richard P. Vlosky, Ph.D.
Director, Louisiana Forest Products Development Center
Crosby Land & Resources Endowed Professor of Forest Sector Business Development
Room 227, School of Renewable Natural Resources
Louisiana State University, Baton Rouge, LA 70803
Phone (office): (225) 578-4527; Fax: (225) 578-4251; Mobile Phone: (225) 223-1931
Web Site: www.LFPDC.lsu.edu



President, Forest Products Society; President-Elect, WoodEMA i.a.

